

VIA AIR

DATE

TO : Chief of Class A Stations and Bases

FROM : Finance Division

SUBJECT: General - Administrative CONFIDENTIAL

Specific - Payrolling of WAE Contract Employees at Class "A"  
Field Stations which are Under Official Cover

REFERENCE: Subject dispatch dated 16 March 1956

ACTION REQUIRED: Retention of Employee's Contract Folder and Pay Record  
of Salary Earned Pending Field Audit

1. The Office of Audit has recommended that WAE Employee's Contract  
Folder and Pay Record of Salary Earned be retained by the field station,  
pending completion of periodic field audits. Consistent with the above,  
instead of forwarding such documents to Headquarters immediately upon  
termination of an employee's services, as indicated in paragraph III K of  
the above referenced dispatch, it is requested that the field station  
retain the contract folder and earnings record until completion of the  
field audit covering the period in which the employee(s) terminated.  
After such audits are performed the complete records shall be forwarded  
to Headquarters via separate dispatch so that Headquarters will be in a  
position to make certification, upon proper request, regarding time worked  
for KUBARK by such employees. Payroll records should be completely closed  
by the losing station and are not to be transferred to another station,  
irrespective of area. Copies of the employee's current calendar year  
earning records may, however, be made available to the employee in cases  
where further KUBARK employment is expected at Headquarters or another  
field station, for purposes of controlling salaries earned subject to  
FICA tax deductions. Such employees who may transfer to another station  
and obtain similar work as a WAE Contract Employee will be requested to  
enter into another contract at the new station. The acquiring station  
will establish new pay records, utilizing the earnings information appear-  
ing on the employee's copies of the W-2's for purposes of controlling FICA  
tax deductions applicable to earnings not to exceed \$4,200.

25X1

2. The above procedure is to be effected immediately.